

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 12 — December 1987

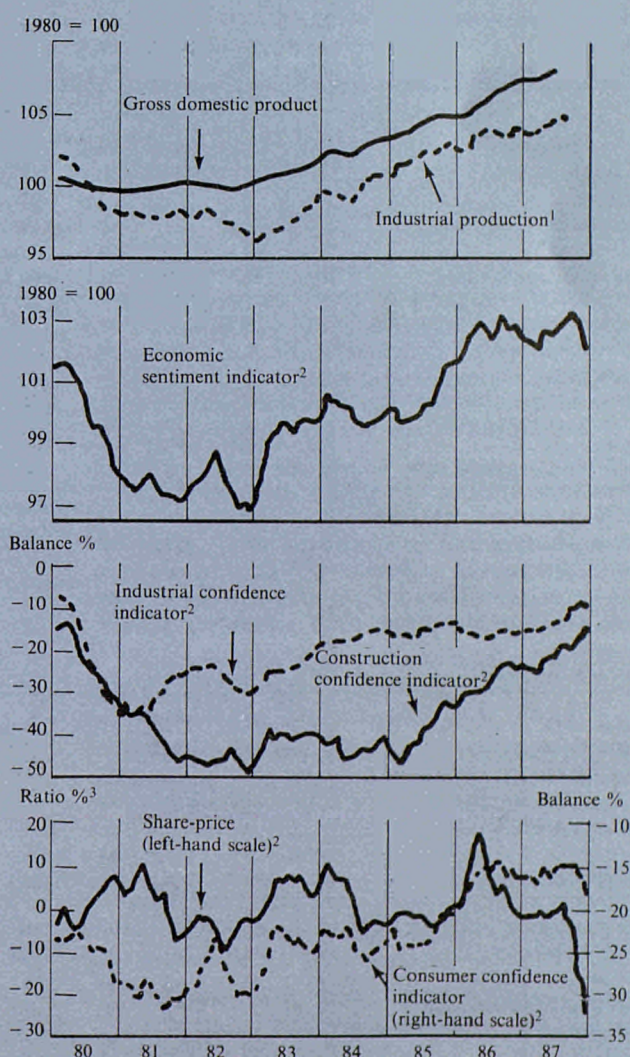
Business and consumer survey results

*In this number:
Impact of the stock market
events on the survey results*

THE MAIN POINTS IN BRIEF

- The results of the surveys carried out in November 1987 show varied but consistently moderate reactions according to the member countries and the different categories of economic operators in question to the disturbances on financial markets.
- The Community's economic sentiment indicator shows a loss of one percentage point but that was largely due to a 20% fall in the share-price index compared with the previous month.
- In industry, the one point fall in the Community confidence indicator was entirely due to the fact that in November order books lost three of the four points gained in October.
- There was a further deterioration in the consumer climate in November. However, the level of the indicator is still above that for the period 1980-1985. The current level of the indicator probably does not yet fully reflect the impact of the financial market disturbances on households.
- A comparison of the shock caused by recent stock market events with the 1973 and 1979 shocks triggered by substantial and rapid rises in the price of oil shows that the measurable reactions of Community consumers have steadily become more moderate.

GRAPH 1: Indicators of output and economic sentiment — European Community



¹ Three-month moving average.

² See notes to Table 1.

³ Deviations from trend in %.

TABLE 1: Indicators of output and economic sentiment

		Range (b)		Range (b)		1986		1987			1987					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83			I	II	III	June	July	Aug.	Sept.	Oct.	Nov.
B	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	102,5	76,5	106,3	92,4	105,0	104,4	108,3	:	:	108,1	107,8	:	:	:	:
	1. industrial confidence indicator	19	-56	-4	-35	-13	-15	-14	-16	-15	-15	-16	-18	-12	-13	-13
	2. construction confidence indicator	9	-36	-7	-65	-34	-37	-35	-32	-35	-34	-32	-31	-25	-22	-22
	3. consumer confidence indicator (c)	7	-18	-7	-31	-17	-13	-10	-11	-10	-12	-9	-12	-13	-14	-14
	4. share-price index (c)	155,1	98,0	114,3	75,0	271,6	308,9	330,2	363,4	335,1	362,6	369,5	358,0	314,2	265,2	265,2
	= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,0	101,4	102,0	102,1	102,0	102,0	102,5	101,7	101,5	100,9	100,9
DK	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	:	:	107,7	95,5	126,5	122,7	120,7	:	:	120,0	123,1	116,7	:	:	:
	1. industrial confidence indicator	:	:	:	-22	1	-7	-9	-8	(-9)	-8	(-8)	(-8)	-8	(-8)	(-8)
	2. construction confidence indicator	:	:	:	-36	14	1	12	-8	(12)	-8	(-8)	(-8)	-1	(-1)	(-1)
	3. consumer confidence indicator (c)	:	-16	5	-22	-3	-10	-9	-9	-10	-10	-9	-7	-8	-11	-11
	4. share-price index (c)	:	:	:	:	420,2	368,6	357,6	366,7	367,1	361,6	369,8	368,7	351,9	322,3	322,3
	= 5. economic sentiment indicator	:	:	:	:	102,9	101,3	101,3	100,9	101,2	100,9	100,8	100,9	100,8	100,7	100,7
D	<i>gross domestic product</i> (b) 1980 = 100	85,1	83,3	101,2	98,9	108,9	109,0	110,1	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,0	82,4	103,1	91,4	106,9	105,4	107,2	107,7	106,5	105,6	109,7	107,7	:	:	:
	1. industrial confidence indicator	10	-49	2	-40	-7	-13	-14	-12	-13	-14	-12	-11	-10	-11	-11
	2. construction confidence indicator	-4	-72	11	-64	-32	-31	-28	-31	-29	-30	-31	-31	-30	-33	-33
	3. consumer confidence indicator (c)	:	-22	9	-31	3	2	1	-1	0	-1	-4	1	-1	-5	-5
	4. share-price index (c)	109,0	75,2	115,6	97,6	295,7	262,9	261,3	283,5	261,8	278,3	289,3	282,8	256,2	195,7	195,7
	= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	103,6	102,1	101,9	101,9	101,8	101,8	101,7	102,3	101,7	100,1	100,1
F	<i>gross domestic product</i> 1980 = 100	85,4	84,2	99,8	102,4	109,8	110,7	111,6	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	96,7	82,2	105,2	94,8	101,7	101,3	103,3	104,7	105,0	104,0	104,0	106,0	:	:	:
	1. industrial confidence indicator	29	-49	5	-39	-12	-12	-10	-6	-10	-7	-6	-5	-2	-4	-4
	2. construction confidence indicator	:	:	-17	-57	-22	-21	-17	-14	(-17)	-14	(-14)	(-14)	-11	(-11)	(-11)
	3. consumer confidence indicator (c)	:	-9	3	-27	-14	-19	-18	-18	-18	-18	-18	-17	-17	-16	-16
	4. share-price index (c)	86,6	53,6	101,2	82,7	337,3	390,5	395,8	386,4	374,1	382,1	380,9	396,1	333,0	273,2	273,2
	= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	99,4	98,4	98,7	98,8	98,5	98,7	98,7	99,0	98,8	98,6	98,6
IRL	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	80,4	72,3	103,8	99,6	130,8	133,5	144,4	:	:	144,1	140,3	149,8	:	:	:
	1. industrial confidence indicator	:	-41	20	-40	-8	-3	4	0	8	-2	-2	3	-5	-2	-2
	2. construction confidence indicator	:	:	:	:	-37	-33	-31	-31	(-31)	-31	(-31)	(-31)	-29	(-29)	(-29)
	3. consumer confidence indicator (c)	:	-41	12	-44	-28	-28	-30	-29	-28	-29	-29	-30	-27	-31	-31
	4. share-price index (c)	85,8	29,9	112,2	79,4	231,2	298,5	333,3	373,9	340,1	347,9	386,6	387,2	400,2	413,2	413,2
	= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,2	100,8	101,0	101,1	101,3	101,0	101,2	101,2	101,4	101,1	101,1
I	<i>gross domestic product</i> 1980 = 100	80,4	77,2	101,2	98,2	111,3	112,4	114,0	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	87,9	72,6	104,7	98,1	100,1	100,9	102,6	101,8	101,6	102,5	100,9	101,9	:	:	:
	1. industrial confidence indicator	31	-59	13	-41	-9	-4	-4	-1	-3	-2	0	-2	1	0	0
	2. construction confidence indicator	-8	-56	-5	-51	-26	-22	-18	-11	-16	-12	-4	-18	-25	2	2
	3. consumer confidence indicator (c)	:	-39	-12	-30	-4	0	-2	-4	-3	-2	-2	-7	-10	-9	-9
	4. share-price index (c)	169,6	68,5	185,0	116,9	667,7	695,2	708,2	631,9	691,1	672,8	619,8	603,2	599,0	499,6	499,6
	= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,5	103,9	103,5	103,1	103,3	103,4	103,5	102,3	101,8	102,0	102,0
NL	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	94,8	87,1	117,5	90,7	105,9	108,7	105,0	104,7	105,0	106,0	106,0	102,0	:	:	:
	1. industrial confidence indicator	12	-44	4	-31	-5	-7	-8	-5	-7	-6	-6	-4	-3	-3	-3
	2. construction confidence indicator	3	-47	3	-46	-3	-4	-1	0	0	2	-1	-1	-3	0	0
	3. consumer confidence indicator (c)	6	-15	5	-37	5	5	-1	-3	-4	-5	-4	-1	-7	-9	-9
	4. share-price index (c)	:	86,3	122,8	92,8	327,6	317,3	341,3	375,4	347,8	371,6	386,5	368,2	320,5	251,8	251,8
	= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	107,4	106,7	106,0	106,2	105,7	106,0	106,2	106,4	104,9	103,8	103,8
UK	<i>gross domestic product</i> 1980 = 100	94,6	91,0	102,5	97,7	112,8	115,6	115,3	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,7	89,6	110,0	93,8	110,1	111,9	112,5	114,3	111,9	114,2	115,0	113,8	:	:	:
	1. industrial confidence indicator	:	:	9	-60	-8	2	10	16	14	13	20	16	20	20	20
	2. construction confidence indicator	:	:	7	-60	-10	-4	5	15	(5)	15	(15)	(15)	30	(30)	(30)
	3. consumer confidence indicator (c)	:	-33	14	-26	-7	-1	7	7	10	9	8	5	8	5	5
	4. share-price index (c)	78,5	23,3	111,6	104,4	300,7	366,3	415,3	455,0	441,9	464,9	446,9	453,1	410,1	322,8	322,8
	= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	103,1	104,4	105,8	106,6	106,4	106,5	106,8	106,6	106,9	106,3	106,3
EUR	<i>gross domestic product</i> (a)(b) 1980 = 100	85,1	85,5	101,1	101,0	110,6	111,8	112,6	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,9	83,0	103,2	94,6	105,4	105,5	107,0	107,0	107,6	107,6	106,1	107,4	:	:	:
	1. industrial confidence indicator	16	-49	3	-36	-9	-8	-6	-3	-5	-5	-1	-2	0	-1	-1
	2. construction confidence indicator	:	:	-1	-48	-22	-20	-15	-12	(-15)	-12	(-11)	(-13)	-9	(-7)	(-7)
	3. consumer confidence indicator (c)	5	-17	1	-22	-6	-6	-5	-5	-5	-5	-5	-5	-6	-8	-8
	4. share-price index (c)	:	47,0	115,4	111,7	329,5	356,9	380,2	400,4	388,3	404,1	398,1	398,9	359,8	288,5	288,5
	= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	102,8	102,6	103,2	103,7	103,4	103,6	103,8	103,6	103,4	102,4	102,4

(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

(b) For the Federal Republic of Germany, gross national product for quarterly data.

(c) Not seasonally adjusted.

TABLE 2: Developments on financial markets (monthly rate of change calculated over the period as %)

VARIATION IN EXCHANGE RATES IN RELATION TO US DOLLAR (as %)

Currency	ECU	BFR LFR	DKR	DM	DR	PTA	FF	IRL	LIT	HFL	ESC	UKL
November 1987 compared with August 1987	+3,2	+3,1	+3,2	+3,4	+2,1	+3,6	+2,8	+3,2	+2,8	+3,4	+2,3	+3,6
August 1987 compared with August 1986	+0,7	+0,9	+0,7	+0,9	-0,4	+0,5	+0,7	+0,6	+0,5	+0,9	0	+0,6

BFR/LFR = Belgian franc/Luxembourg franc; DKR = Danish krone; DM = German mark; DR = Greek drachma; PTA = Spanish peseta; FF = French franc; IRL = Irish pound; LIT = Italian lira; HFL = Dutch guilder; ESC = Portuguese escudo; UKL = pound sterling

Source: Commission departments

VARIATION IN SHARE PRICES
(monthly rate of change calculated over the period as %)

Country	EUR	B	DK	D	E	F	IRL	I	LU	NL	UK
November 1987 compared with September 1987	-15,0	-13,9	-6,5	-16,8	-15,9	-16,9	-12,8	-9,0	-2,7	-17,3	-15,6
September 1987 compared with September 1986	+1,3	+1,8	-0,3	-0,5	+3,9	+0,1	+4,6	-1,9	-1,4	+0,6	+3,3

Source: EUROSTAT and Financial Times. No data are available for Greece and Portugal.

Moderate reactions to the disturbances on financial markets. — The surveys carried out in November in the Community show varied but consistently moderate reactions according to the member countries and the different categories of economic operators in question to the disturbances on financial markets.

The measures taken by the political and monetary authorities in response to market developments had not yet influenced the reactions of economic operators in November. The same applies to the efforts made in the United States to reduce the budget deficit.

Loss of one percentage point for the leading indicator. — The Community economic sentiment indicator shows a loss of one percentage point but the fall is due primarily to the share-price index, which was down 20% compared with the previous month (see Table 1). Together with the changes in exchange rates (see Table 2), the stock market developments have probably affected consumer confidence, the indicator of which fell by two points¹. By contrast, they scarcely appear to have troubled managements. The confidence indicator in industry shows a fall of only one point.

Varying trends in the components of the Community economic sentiment indicator. — A comparison between the November 1987 data and those for the first quarter of 1986 shows varying trends in the components of the Community economic sentiment indicator. Although the indicator showed at both times a value of 102,4, the *share-price* index in November 1987 stood at only 62% of the level reached in the first quarter of 1986, after elimination of the long-term trend in prices. The *consumer confidence indicator* was down one point compared with its value in the first quarter of 1986. By contrast, the *industrial and construction confidence indicators* showed increases of 7 and 19 points respectively between those two dates.

The trend in share prices has led to a fall in the economic sentiment indicator in all member countries for which data are available, except in Italy because of the exceptional results recorded for construction in that country.

Moderate deterioration in the industrial climate. — In manufacturing industry, the one point fall in the Community confidence indicator is entirely due to order-book levels, which in November lost three of the four points gained in October (see

Table 3). It should be noted, however, that export orders are continuing to pick up. The prospects for prices continue to show a moderate upward trend in line with most of the corresponding data for the construction sector (see Table 4) and consumers (see Table 7).

Comparison of the industrial climate by country. — The confidence indicator is either marking time or down slightly in all member countries for which data are available, except in Ireland and Luxembourg. With the exception of those two countries and the Netherlands, order-book assessments are down everywhere. However, the falls recorded for this question represent no more than the total or partial loss of the gains made in the previous month, except in the case of Greece.

With regard to the outlook for production, the overall picture of Community stability is an amalgam of different national trends. While in Germany, France and Greece the outlook has deteriorated by three or four points, there has been a five point gain in the United Kingdom. In the case of stocks, by contrast, the prevailing picture is one of stability.

Major improvements in export orders have been recorded in France (+7), in Italy (+5) and in the United Kingdom (+4). It is necessary to go back to February 1980, May 1984 and March 1977 respectively to find more favourable results. This contrasts with the situation in Germany, where assessments have marked time since July and exporters remain appreciably more pessimistic than they were last year.

The balance of respondents expecting price rises has increased substantially in the United Kingdom (+6) and in Italy (+5) but has diminished in Germany (-2).

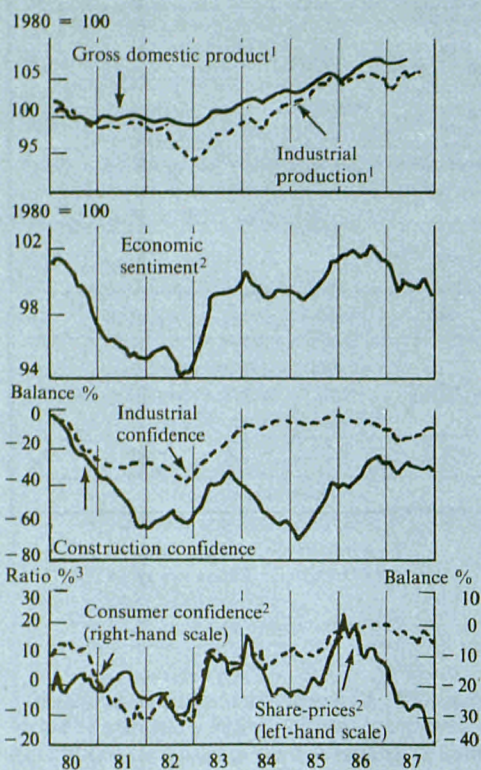
A further improvement in the construction industry. — The improvement in the construction sector is due primarily to an exceptional result in Italy, which will require confirmation (see Table 4), although the Benelux countries also made a contribution. In Germany, by contrast, the indicator has fallen back to its average level of last year (-33), while the Community indicator stands at -7, as against an average of -22 in 1986. In the five countries for which data are compiled in November, the outlook for prices showed the same trend as the indicator.

A further deterioration in the consumer climate. — The events on currency and stock markets have not been without their effects on European consumers. The consumer confidence indicator fell from -6 in October to -8 in November. The current level of the indicator probably does not fully reflect the impact of the disturbances on financial markets on households, since they assess the consequences of stock market events for the

¹ Unless otherwise indicated, all the following figures in the text represent balances of positive and negative replies.

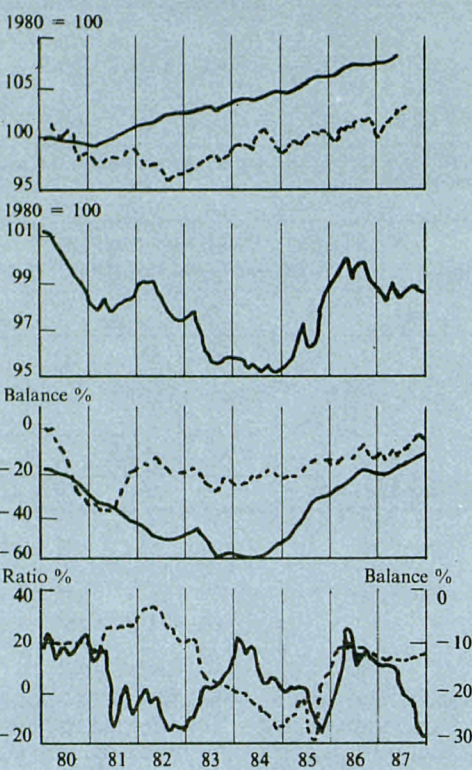
GRAPHS 2-7: Indicators of output and economic sentiment

GRAPH 2: Federal Republic of Germany



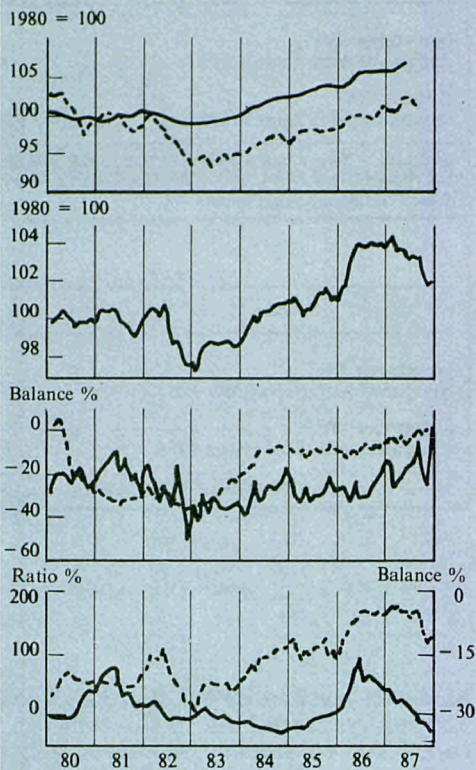
- ¹ Three-month moving average.
² See notes to Table 1.
³ Deviations from trend in %.

GRAPH 3: France



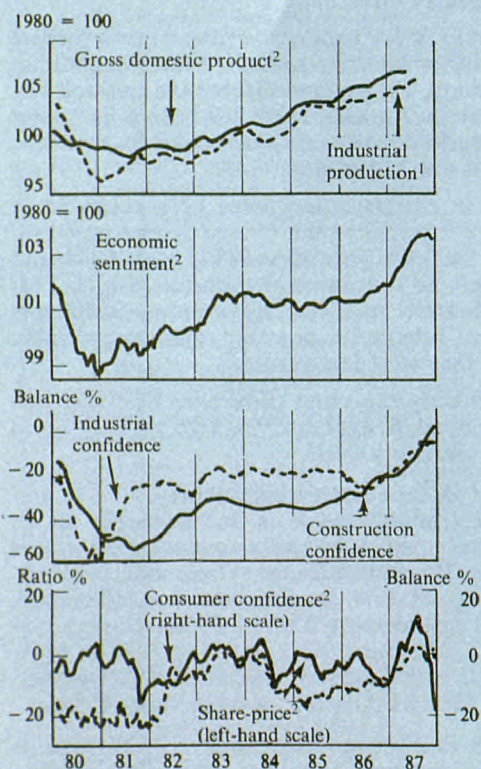
For explanations, see Graph 2

GRAPH 4: Italy



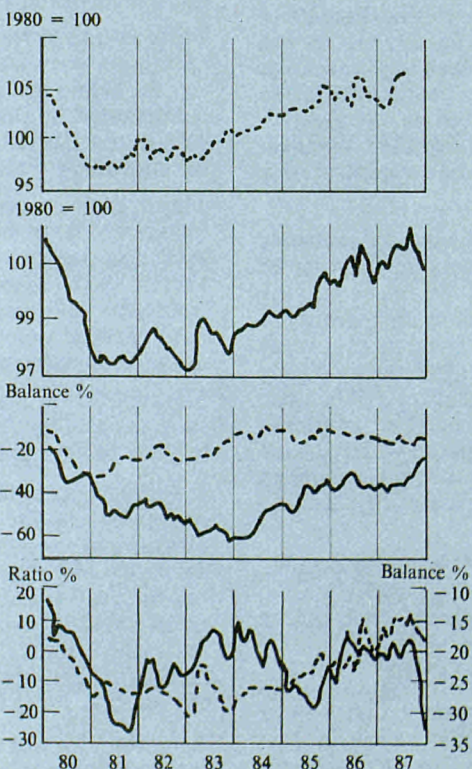
For explanations, see Graph 2

GRAPH 5: Federal Republic of Germany



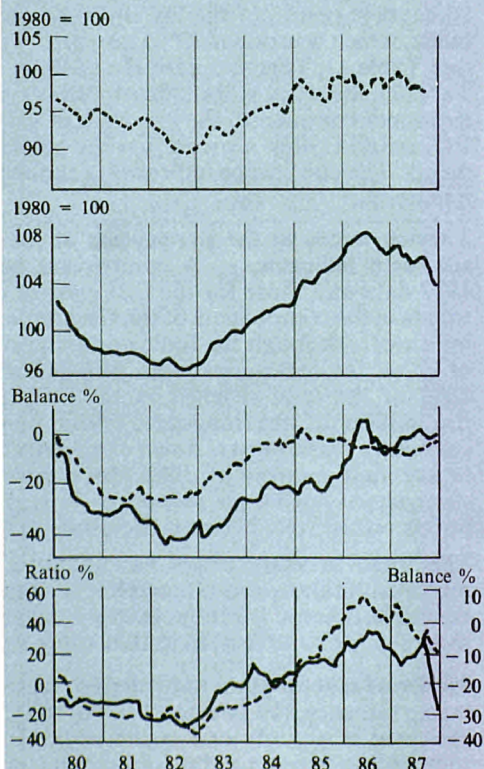
- ¹ Three-month moving average.
² See notes to Table 1.
³ Deviations from trend in %.

GRAPH 6: Belgium



For explanations, see Graph 5

GRAPH 7: Netherlands



For explanations, see Graph 5

TABLE 3: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		Range (b)		1986			1987			1987					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83				I	II	III	June	July	Aug.	Sept.	Oct	Nov.
B	production expectations	+31	-56	-4	-37	-7	-12	-7	-10	-9	-8	-10	-12	-4	-3		
	order-books	+13	-74	-14	-49	-25	-27	-29	-29	-30	-28	-31	-29	-25	-27		
	export order-books	+15	-82	-19	-55	-30	-20	-33	-31	-33	-31	-32	-30	-29	-29		
	stocks of finished products	-14	+37	+2	+18	+7	+7	+6	+9	+7	+8	+6	+12	+8	+9		
	selling-price expectations	+64	-10	+39	+12	+5	-6	+7	+7	+9	+8	+8	+4	+10	+10		
	industrial confidence indicator	+19	-56	-4	-35	-13	-15	-14	-16	-15	-15	-16	-18	-12	-13		
DK	production expectations	:	:	:	+8	+7	+5	+4	+4	:	+4	:	:	+2	:		
	order-books	:	:	:	-34	+9	-12	-17	-20	:	-20	:	:	-20	:		
	export order-books	:	:	:	+14	-2	-16	-19	-12	:	-12	:	:	-9	:		
	stocks of finished products	:	:	:	+24	+14	+15	+13	+8	:	+8	:	:	+5	:		
	industrial confidence indicator	:	:	:	-22	+1	-7	-9	-8	:	-8	:	:	-8	:		
D	production expectations	+17	-32	+10	-30	+2	-5	-4	-1	-3	-3	-1	+1	+4	+1		
	order-books	+5	-73	-6	-59	-15	-25	-26	-25	-26	-27	-25	-24	-23	-24		
	export order-books	:	:	-14	-50	-20	-30	-35	-30	-36	-30	-30	-29	-29	-29		
	stocks of finished products	-7	+43	-2	+31	+7	+11	+11	+11	+11	+12	+11	+9	+10	+9		
	selling-price expectations	+55	+4	+38	+4	+7	+8	+14	+18	+16	+18	+19	+18	+22	+20		
	industrial confidence indicator	+10	-49	+2	-40	-7	-13	-14	-12	-13	-14	-12	-11	-10	-11		
GR	production expectations	:	:	:	:	+21	+10	+13	+24	+16	+25	+24	+24	+18	+14		
	order-books	:	:	:	:	-16	-27	-24	-20	-21	-22	-20	-17	-20	-21		
	export order-books	:	:	:	:	-24	-32	-28	-25	-27	-28	-25	-23	-19	-17		
	stocks of finished products	:	:	:	:	+12	+9	+11	+11	+17	+14	+11	+7	+9	+11		
	selling-price expectations	:	:	:	:	+16	+16	+29	+25	+30	+26	+25	+25	+20	+17		
	industrial confidence indicator	:	:	:	:	-3	-9	-7	-2	-8	-4	-3	0	-4	-6		
F	production expectations	+33	-29	+18	-20	+1	+1	+3	+3	+2	+1	+3	+4	+10	+6		
	order-books	+26	-69	0	-56	-23	-24	-21	-16	-20	-19	-16	-13	-12	-13		
	export order-books	+24	-66	+10	-52	-28	-32	-27	-18	-26	-20	-18	-15	-14	-7		
	stocks of finished products	-14	+50	+3	+42	+14	+14	+11	+5	+11	+4	+5	+6	+4	+4		
	selling-price expectations	+76	+15	+62	+17	+14	+11	+15	+22	+13	+22	+22	+21	+16	+16		
	industrial confidence indicator	+29	-49	+5	-39	-12	-12	-10	-6	-10	-7	-6	-5	-2	-4		
IRL	production expectations	:	-21	+40	-33	+10	+18	+20	+17	+27	+13	+19	+20	+3	+4		
	order-books	:	-68	+18	-55	-22	-19	-3	-10	-2	-12	-16	-2	-10	-7		
	stocks of finished products	:	+35	-6	+33	+13	+9	+5	+8	+1	+6	+8	+9	+7	+4		
	selling-price expectations	:	+64	+77	+20	-5	+2	+8	+6	+8	-1	+7	+12	+2	+4		
	industrial confidence indicator	:	-41	+20	-40	-8	-3	+4	0	+8	-2	-2	+3	-5	-2		
I	production expectations	+40	-43	+24	-26	+9	+8	+8	+10	+7	+10	+11	+8	+9	+11		
	order-books	+30	-82	+7	-66	-22	-10	-11	-9	-10	-10	-8	-9	-2	-6		
	export order-books	+13	-67	-6	-59	-30	-24	-27	-26	-26	-27	-28	-25	-26	-21		
	stocks of finished products	-24	+53	-8	+32	+14	+9	+8	+5	+6	+7	+3	+4	+4	+5		
	selling-price expectations	+76	+10	+87	+37	+15	+11	+18	+21	+22	+20	+22	+22	+26	+31		
	industrial confidence indicator	+31	-59	+13	-41	-9	-4	-4	-1	-3	-2	0	-2	+1	0		
L	production expectations	+84	-80	+40	-66	-20	-43	-15	-2	0	-3	-1	-3	+2	+5		
	order-books	:	:	+8	-70	-3	-34	-43	-47	-44	-48	-47	-47	-48	-43		
	export order-books	:	:	+9	-80	-22	-63	-54	-60	-56	-64	-61	-56	-47	-39		
	stocks of finished products	-14	+74	0	+58	+3	-1	-1	+1	-2	+3	+2	-3	+1	+1		
	selling-price expectations	:	-46	+74	-38	-30	-40	+14	+38	+31	+41	+45	+27	+52	+62		
	industrial confidence indicator	:	:	+16	-65	-5	-25	-19	-18	-14	-18	-17	-18	-16	-13		
NL	production expectations	+26	-26	+20	-13	+4	0	+1	+3	+3	+2	+2	+5	+6	+6		
	order-books	+7	-48	-5	-42	-12	-16	-20	-16	-20	-16	-17	-15	-13	-12		
	stocks of finished products	-3	+57	+3	+39	+7	+6	+5	+3	+4	+3	+2	+3	+2	+2		
	industrial confidence indicator	+12	-44	+4	-31	-5	-7	-8	-5	-7	-6	-6	-4	-3	-3		
UK	production expectations	:	:	+29	-52	+11	+22	+31	+36	+37	+30	+42	+35	+34	+39		
	order-books	:	:	-2	-85	-18	-8	+2	+11	+1	+8	+13	+12	+20	+15		
	export order-books	:	:	-11	-72	-19	-11	-5	+9	+4	+10	+8	+8	+7	+11		
	stocks of finished products	:	:	-1	+42	+16	+8	+2	-2	-3	-1	-4	0	-7	-6		
	selling-price expectations	:	:	+70	+7	+15	+23	+27	+26	+27	+24	+27	+27	+26	+32		
	industrial confidence indicator	:	:	+9	-60	-8	+2	+10	+16	+14	+13	+20	+16	+20	+20		
EUR	production expectations	+24	-30	+15	-24	+5	+5	+7	+9	+9	+7	+11	+10	+12	+12		
	order-books	+15	-70	-7	-56	-19	-18	-17	-12	-16	-14	-11	-11	-7	-10		
	export order-books	:	:	-12	-50	-23	-26	-25	-20	-24	-20	-20	-19	-19	-16		
	stocks of finished products	-10	+48	-1	+31	+12	+10	+8	+5	+8	+7	+4	+4	+4	+4		
	selling-price expectations	+64	+9	+53	+22	+12	+12	+17	+21	+18	+20	+22	+22	+23	+24		
	industrial confidence indicator	+16	-49	+2	-36	-9	-8	-6	-3	-5	-5	-1	-2	0	-1		

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).
(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

TABLE 4: Survey of the construction industry

Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		Range (b)		1986		1987			1987					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83			I	II	III	June	July	Aug.	Sept.	Oct.	Nov.
B	order-books	-13	-47	-20	-76	-48	-51	-51	-45	-50	-48	-43	-44	-35	-34	
	employment expectations	+31	-24	+7	-53	-22	-22	-18	-19	-20	-19	-20	-18	-15	-9	
	price expectations	+75	+25	+61	-18	+1	-1	-2	+1	-2	0	-2	+4	+1	+6	
	construction confidence indicator (a)	+9	-36	-7	-65	-35	-37	-35	-32	-35	-34	-32	-32	-25	-22	
DK	order-books	:	:	:	-38	+18	+4	+12	-12	(+12)	-12	(-12)	(-12)	+4	(+4)	
	employment expectations	:	:	:	-35	+10	-2	+11	-4	(+11)	-4	(-4)	(-4)	-5	(-5)	
	price expectations	:	:	:	-37	+14	+1	+12	-8	(+12)	-8	(-8)	(-8)	-1	(-1)	
	construction confidence indicator (a)	:	:	:												
D	order-books	-17	-84	+2	-75	-53	-53	-48	-48	-46	-47	-47	-50	-47	-52	
	employment expectations	+10	-60	+20	-53	-12	-8	-9	-13	-12	-13	-14	-12	-12	-13	
	price expectations	+48	-37	+48	-49	+7	+2	+1	-3	+1	-1	-7	-1	-7	-11	
	construction confidence indicator (a)	-4	-72	+11	-64	-33	-31	-29	-31	-29	-30	-31	-31	-30	-33	
GR	order-books	:	:	:	-78	-62	-67	-56	-63	(-56)	-63	(-63)	(-63)	-67	(-67)	
	employment expectations	:	:	:	-77	-32	-22	-21	-15	(-21)	-15	(-15)	(-15)	-20	(-20)	
	price expectations	:	:	:	-9	+34	+25	+27	+14	(+27)	+14	(+14)	(+14)	+34	(+34)	
	construction confidence indicator (a)	:	:	:	-78	-47	-45	-39	-39	(-39)	-39	(-39)	(-39)	-44	(-44)	
F	order-books	:	:	-26	-73	-33	-28	-22	-21	(-22)	-21	(-21)	(-21)	-17	(-17)	
	employment expectations	:	:	-8	-47	-11	-14	-12	-6	(-12)	-6	(-6)	(-6)	-5	(-5)	
	price expectations	:	:	-17	-57	-22	-21	-17	-14	(-17)	-14	(-14)	(-14)	-11	(-11)	
	construction confidence indicator (a)	:	:													
IRL	order-books	:	:	-58	-40	-48	-17	-36	-36	(-17)	-36	(-36)	(-36)	-28	(-28)	
	employment expectations	:	:	-61	-35	-17	-44	-26	-26	(-44)	-26	(-26)	(-26)	-30	(-30)	
	price expectations	:	:	:	-14	-11	-22	-15	-15	(-22)	-15	(-15)	(-15)	-34	(-34)	
	construction confidence indicator (a)	:	:	-60	-38	-33	-31	-31	-31	(-31)	-31	(-31)	(-31)	-29	(-29)	
I	order-books	-25	-68	-8	-62	-37	-27	-22	-20	-22	-26	-4	-29	-28	-11	
	employment expectations	+10	-44	+2	-39	-14	-16	-12	-3	-9	+2	-4	-7	-21	+15	
	price expectations	+85	+30	+79	+2	+12	+10	+19	+15	+7	+18	+19	+9	+11	+29	
	construction confidence indicator (a)	-8	-56	-5	-51	-26	-22	-17	-12	-16	-12	-4	-18	-25	+2	
L	order-books	+21	-50	+15	-79	-9	+14	+7	0	+10	+8	0	-9	+9	+4	
	employment expectations	+31	-39	+46	-75	0	+20	+25	-7	+23	+5	-5	-21	-20	-12	
	price expectations	+82	+11	+81	-49	+14	+11	+9	-1	+3	+10	-5	-7	-19	-15	
	construction confidence indicator (a)	+26	-45	+31	-77	-5	+17	+16	-4	+17	+7	-3	-6	-6	-4	
NL	order-books	-8	-81	-10	-61	-11	-11	-7	-5	-5	-3	-4	-9	-7	-4	
	employment expectations	+14	-13	+15	-31	+5	+4	+5	+5	+5	+6	+3	+7	+2	+4	
	price expectations	+3	-47	+3	-46	-3	-4	-1	0	0	+2	-1	-1	-3	0	
	construction confidence indicator (a)															
UK	order-books	:	:	-1	-74	-22	-18	-11	+4	(-11)	+4	(+4)	(+4)	+18	(+18)	
	employment expectations	:	:	+15	-50	+3	+10	+21	+26	(+21)	+26	(+26)	(+26)	+42	(+42)	
	price expectations	:	:	+74	-21	+22	+37	+49	+52	(+49)	+52	(+52)	(+52)	+63	(+63)	
	construction confidence indicator (a)	:	:	+7	-62	-10	-4	+5	+15	(+5)	+15	(+15)	(+15)	+30	(+30)	
EUR	order-books	:	:	-9	-64	-36	-33	-27	-23	(-27)	-24	(-21)	(-25)	-19	(-19)	
	employment expectations	:	:	+7	-35	-7	-6	-3	0	(-3)	+1	(-1)	(0)	+2	(+6)	
	price expectations	:	:	-1	-50	-22	-20	-15	-12	(-15)	-12	(-11)	(-13)	-9	(-7)	
	construction confidence indicator (a)	:	:													

(a) The indicator is an average of the responses (balances) to the questions on order-books and employment expectations.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

Source: European Community business surveys.

general economic situation and their personal well-being only gradually.

The Community indicator level is thus still higher than that for the period 1980-1985 for which the average indicator value was -15.

TABLE 5: European Community: US dollar rate, share prices and consumer assessments

	1986		1987	
	November	September	October	November
US dollar rate (1 ECU = ... USD)	1,03	1,14	1,15	1,23
Share-price index (1980 = 100, not seasonally adjusted)	339,1	398,9	359,8	288,5
Consumer confidence indicator	-6	-5	-6	-8

Sources: Commission departments; EC consumer survey.

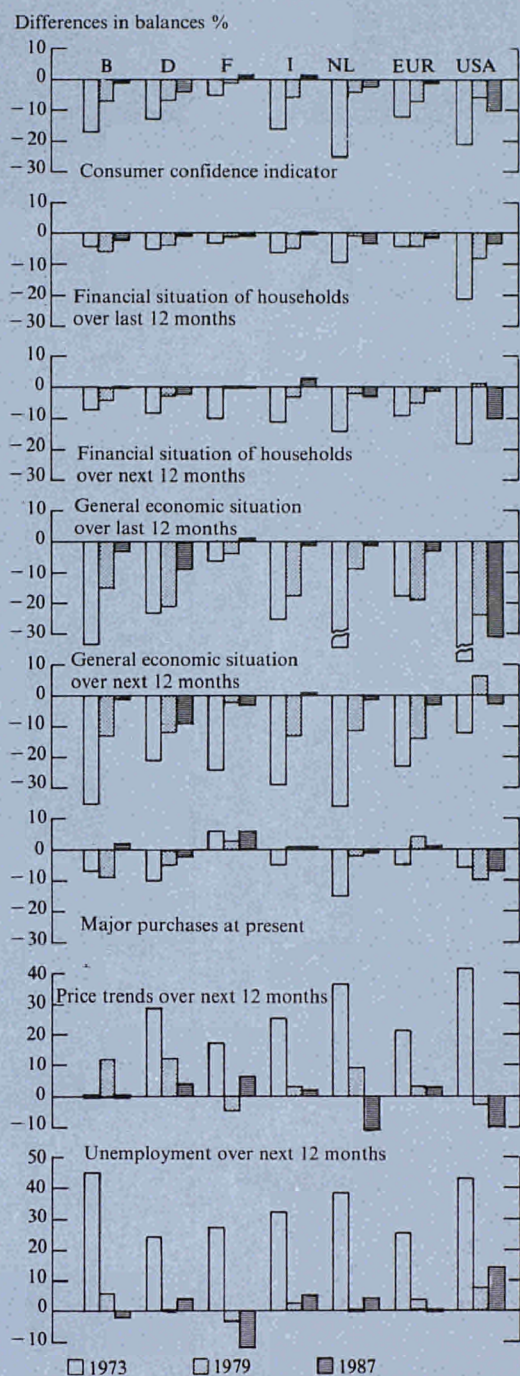
From November 1986 to November 1987 the confidence indicator lost only two percentage points, whereas the share-price index fell by 15% and the dollar by 19% against the ECU (see Table 5). Moreover, the deterioration in the consumer climate in November has not affected all member countries. In France and Italy, the situation has even improved somewhat. The rise in the confidence indicator in *France* is primarily due to the appreciably more positive assessments of consumers as to their

readiness to make major purchases. In *Italy*, the indicator has been favourably influenced by optimistic expectations concerning the personal financial situation of consumers and the overall economic situation. The recent events on stock markets have had appreciably less impact on consumer attitudes in Italy than in most other member countries. In Italy fewer people own shares than elsewhere because personal saving is oriented more towards government bonds. Furthermore, stock exchange prices had already been falling since the beginning of 1987 in Italy, with the result that the events of 19 October 1987 were not felt as a sudden shock there.

Confidence indicator in 1986 and 1987 in the Community and the United States. — Recent events have certainly reinforced among consumers in certain member countries a negative trend which had already been evident for some time. This applies to Denmark, Greece and the Netherlands as well as to Germany, where the downward trend had set in in October 1986. In none of these countries, however, has the decline in confidence been such as to justify talk of a break in the trend observed since January 1986.

A further group is made up of member countries in which the consumer climate has improved steadily since January 1986, namely Portugal, the United Kingdom and, to some extent, Belgium. In the remaining countries, the trend of consumer confidence cannot be clearly defined; such is the case in Spain, France, Ireland and Italy. The movements in national confidence indicators therefore neutralize each other to some extent,

GRAPH 8: Differences in consumer assessments before and after the 1973 and 1979 oil shocks and the 1987 financial disturbances, in the Community and the United States



Source: EC consumer survey; University of Michigan, Institute for Social Research.

which of course means that the Community indicator remains relatively stable.

In the United States, by contrast, the variable which may be taken to be equivalent to a confidence indicator is subject to much more marked changes. Despite its downward trend, however, the level of that variable is still appreciably higher than that of the Community indicator.

Consumers' replies to the monthly questions put in the harmonized Community survey between January 1986 and November 1987. — A growing number of consumers are concerned about devel-

opments in the general economic situation. Graph 9 shows that the danger of inflation has also been a cause for concern since October 1986. In addition, households continue to fear that unemployment will remain at a relatively high level.

These negative trends are shown by a comparison of the differences in levels between the replies of Community and United States consumers. The table below sets out the expectations of these two groups of consumers concerning the overall economic situation and unemployment. It shows that, while the United States consumers' assessments were less optimistic in 1987 than in 1986, the level of those judgments remains much more favourable in the United States than in Europe.

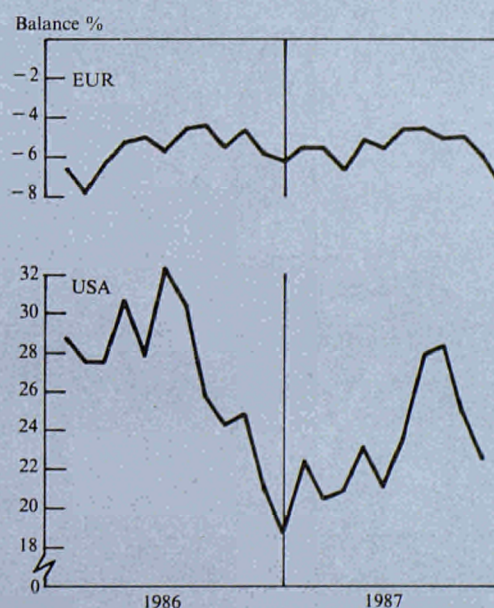
TABLE 6: Anticipated developments in the general economic situation and in unemployment, in the Community and the United States

	1986 (Jan.-Nov.)		1987 (Jan.-Nov.)	
	EUR	USA	EUR	USA
General economic situation over next 12 months	-5	9	-8	5
Unemployment over next 12 months	23	16	26	18

Sources: EC consumer survey; University of Michigan, Institute for Social Research.

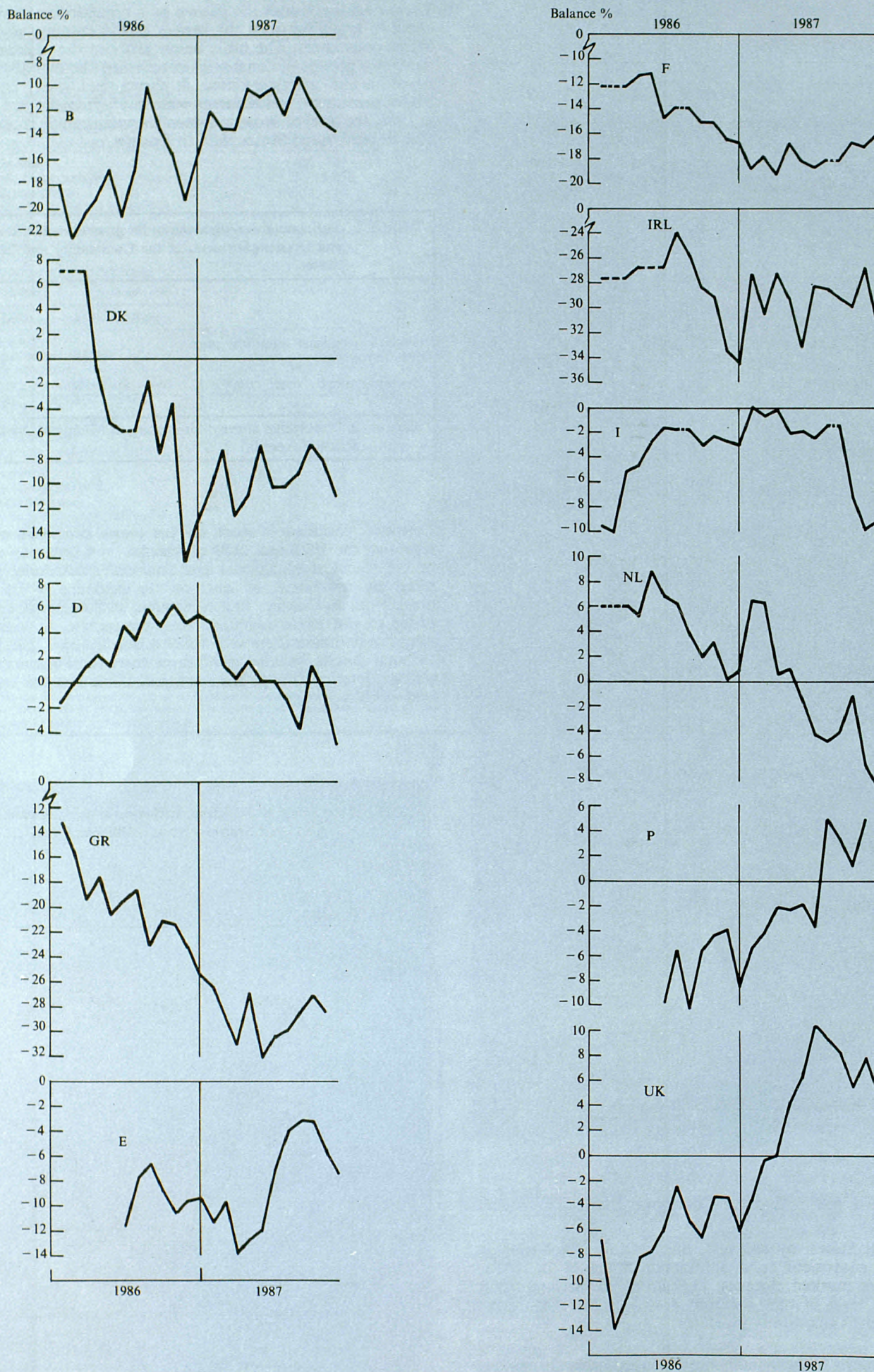
Consumer reactions to stock market events compared with those following the 1973 and 1979 oil shocks. — Consumer reactions to the recent stock market and financial crisis have remained relatively restrained, at least on the evidence of the surveys carried out in October and November in member countries. In order to put those reactions into perspective, it would seem useful to compare them with those which followed the 1973 and 1979 oil shocks, because in all three cases there was a rapid and serious deterioration in the economic climate in the industrialized world.

GRAPH 9: Consumer confidence indicator in the Community and the United States—trends in 1986 and 1987



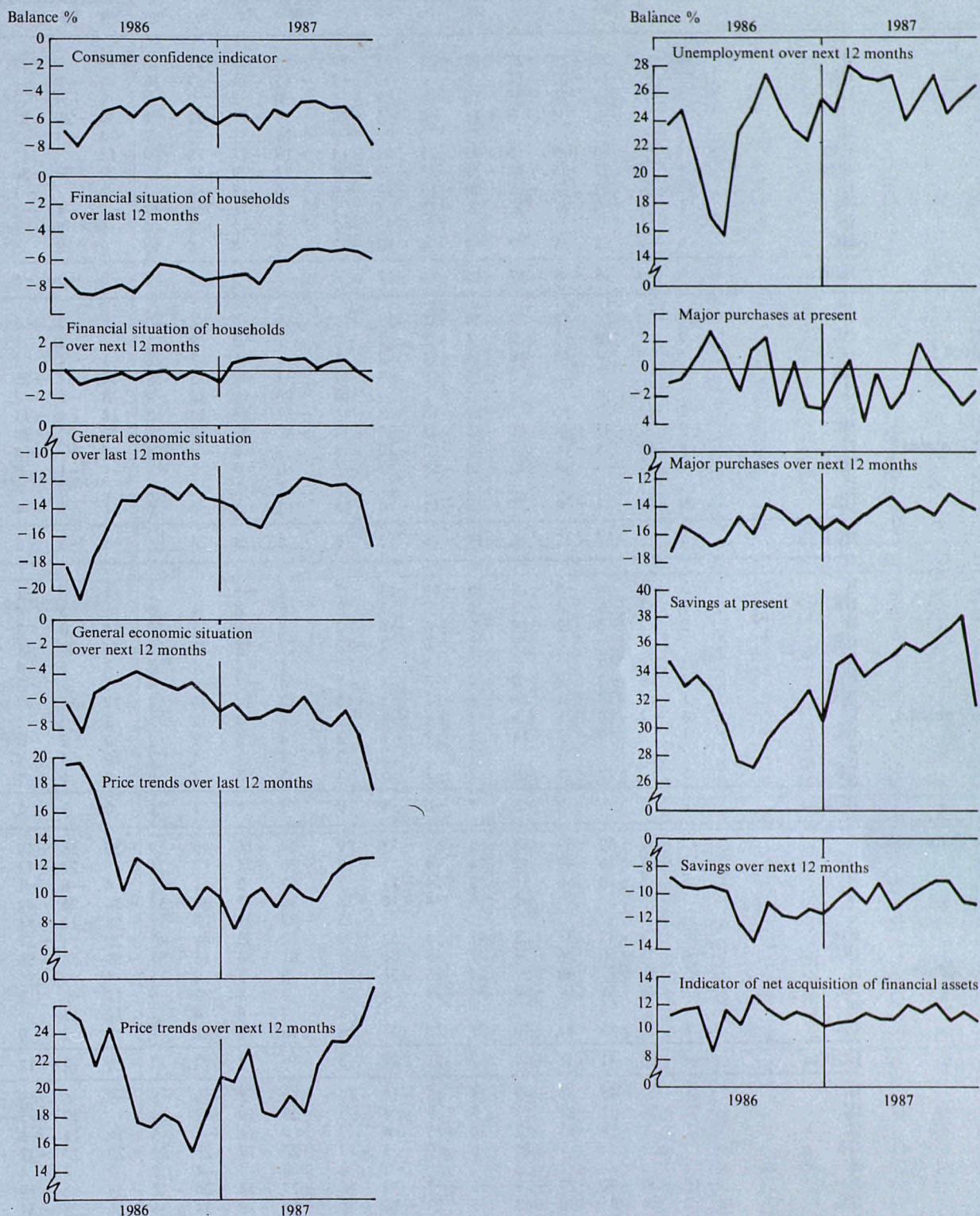
Source: EC consumer survey; University of Michigan, Institute for Social Research.

GRAPH 9 (continued): Consumer confidence indicator in the Community and the United States—trends in 1986 and 1987



Source: EC consumer survey; University of Michigan, Institute for Social Research.

GRAPH 10: Consumer opinions aggregated at Community level—replies to questions put in 1986 and 1987



Source: EC consumer survey.

Graph 8 shows the differences in level between the indicator values before and after the events of 1973, 1979 and 1987. The graph concentrates on the five member countries for which data are available for the three periods. In both the Community and

the United States, the measurable reactions of consumers were more negative after the first oil price rise than after the second and most recent shocks.

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TABLE 7: Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1987									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
CONSUMER CONFIDENCE INDICATOR (b)	B	-8	-10	-20	-27	-27	-28	-27	-21	-17	-14	-10	-11	-10	-12	-9	-12	-13	-14	
	DK	-1	-2	-19	-17	-12	0	6	4	-3	-13	-11	-7	-10	:	-9	-7	-8	-11	
	D	5	6	-5	-22	-26	-15	-10	-7	3	0	2	0	0	-1	-4	1	-1	-5	
	GR	:	:	:	:	0	-11	-4	-5	-20	-31	-27	-32	-31	-30	-28	-27	-29	-29	
	E	:	:	:	:	:	:	:	:	-9	-14	-13	-12	-7	-4	-3	-3	-6	-8	
	F (d)	1	-5	-10	-9	-5	-15	-23	-21	-14	-19	-17	-18	-19	-18	:	-17	-17	-16	
	IRL	8	-10	-22	-28	-34	-39	-33	-29	-28	-27	-29	-33	-28	-29	-29	-30	-27	-31	
	I	-18	-17	-22	-22	-18	-24	-15	-12	-4	0	-2	-2	-3	-2	:	-7	-10	-9	
	NL	-1	-8	-25	-31	-32	-30	-22	-7	5	1	1	-1	-4	-5	-4	-1	-7	-9	
	P	:	:	:	:	:	:	:	:	-7	-2	-2	-2	-4	5	3	1	5	4	
UK	8	-4	-18	-21	-12	-3	-4	-10	-7	0	4	6	10	9	8	5	8	5		
EUR (c)		0	-3	-13	-19	-17	-15	-14	-12	-6	-7	-5	-6	-5	-5	-5	-5	-6	-8	
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-11	-15	-19	-25	-29	-31	-23	-14	-8	-6	-6	-6	-8	-7	-8	-8	-10	
	DK	2	1	-10	-12	-7	-4	-2	-3	-2	-2	-2	0	-1	:	1	1	-2	1	
	D	1	2	-4	-16	-18	-14	-11	-8	1	1	1	2	1	1	-1	3	2	1	
	GR	:	:	:	:	-2	-13	-8	-8	-24	-33	-32	-35	-32	-34	-31	-29	-31	-33	
	E	:	:	:	:	:	:	:	:	-10	-13	-11	-12	-9	-8	-6	-7	-9	-10	
	F (d)	-2	-4	-7	-8	-7	-11	-15	-13	-11	-14	-14	-14	-13	-14	:	-13	-13	-14	
	IRL	-9	-21	-32	-38	-41	-43	-42	-37	-34	-32	-30	-37	-29	-31	-33	-30	-28	-30	
	I	-14	-13	-14	-14	-13	-15	-12	-10	-6	-3	-4	-3	-5	-4	:	-4	-5	-5	
	NL	4	1	-9	-18	-20	-28	-26	-17	-3	0	0	3	-1	-1	-1	0	0	-3	
	P	:	:	:	:	:	:	:	:	-8	-3	-1	-2	-3	2	0	-4	-1	-1	
UK	-10	-11	-24	-30	-27	-15	-15	-16	-13	-12	-5	-6	0	-1	-1	-4	-1	-3		
EUR (c)		-4	-5	-11	-17	-16	-15	-15	-12	-8	-8	-6	-6	-5	-5	-5	-5	-5	-6	
— over last 12 months	B	-3	-3	-6	-9	-12	-15	-18	-13	-5	-2	-1	1	2	-1	0	-1	-1	-1	
	DK	6	3	-8	-4	-2	0	3	3	2	0	3	4	0	:	3	4	3	2	
	D	2	2	-3	-12	-14	-9	-6	-4	2	2	1	2	2	1	0	3	1	-1	
	GR	:	:	:	:	15	0	6	2	-12	-21	-18	-23	-22	-24	-24	-21	-22	-22	
	E	:	:	:	:	:	:	:	:	3	1	-1	-1	2	3	6	4	1	0	
	F (d)	4	0	-2	0	0	-4	-7	-3	-2	-4	-3	-4	-6	-5	:	-3	-3	-3	
	IRL	1	-13	-19	-24	-23	-26	-22	:	-15	-12	-14	-20	-12	-17	-18	-17	-14	-17	
	I	-6	-7	-10	-8	-6	-8	-3	-2	1	4	4	2	2	2	:	1	-2	1	
	NL	1	1	-9	-13	-14	-21	-17	-6	2	4	3	2	-1	0	-2	3	3	0	
	P	:	:	:	:	:	:	:	:	2	2	1	4	2	10	5	4	8	11	
UK	3	-1	-13	-15	-9	-2	-3	-5	-3	5	7	7	9	4	6	3	5	2		
EUR (c)		2	0	-6	-9	-8	-7	-6	-4	0	1	1	1	1	0	1	1	0	-1	
GENERAL ECONOMIC SITUATION	B	-47	-44	-58	-69	-68	-62	-57	-33	-29	-24	-16	-19	-19	-20	-18	-18	-22	-25	
	DK	-31	-34	-56	-47	-42	-4	4	2	-10	-30	-25	-17	-21	:	-22	-13	-17	-24	
	D	-5	3	-18	-46	-51	-29	-14	-11	7	2	2	1	-1	-4	-6	-1	-2	-11	
	GR	:	:	:	:	-2	-11	-4	-10	-28	-36	-32	-38	-34	-34	-34	-32	-33	-33	
	E	:	:	:	:	:	:	:	:	-15	-27	-25	-23	-17	-16	-13	-11	-8	-15	
	F (d)	-18	-27	-39	-37	-28	-41	-54	-52	-34	-42	-39	-40	-43	-38	:	-37	-38	-37	
	IRL	-4	-35	-56	-66	-74	-77	-65	-61	-58	-61	-56	-65	-58	-58	-53	-58	-50	-56	
	I	-45	-43	-57	-60	-51	-57	-36	-26	-10	0	-3	-4	-1	-4	:	-11	-18	-19	
	NL	-23	-30	-55	-64	-64	-54	-19	8	18	4	5	0	-6	-11	-6	0	-7	-8	
	P	:	:	:	:	:	:	:	:	-5	2	8	4	2	12	11	7	11	4	
UK	0	-33	-55	-62	-40	-23	-25	-37	-29	-16	-8	-1	7	5	3	0	5	1		
EUR (c)		-16	-22	-41	-51	-44	-37	-31	-28	-15	-15	-13	-13	-12	-12	-12	-12	-13	-17	
— over next 12 months	B	-28	-29	-45	-51	-43	-38	-33	-17	-12	-10	-5	-10	-8	-9	-6	-9	-14	-15	
	DK	-21	-24	-42	-29	-23	3	6	4	-7	-20	-19	-8	-14	:	-17	-5	-16	-17	
	D	-1	1	-19	-33	-32	-14	-10	-6	3	-4	-4	-6	-5	-10	-11	-6	-7	-16	
	GR	:	:	:	:	25	6	10	3	-13	-20	-17	-25	-22	-22	-25	-22	-23	-22	
	E	:	:	:	:	:	:	:	:	3	-8	-7	-4	0	2	3	4	4	-3	
	F (d)	-15	-29	-40	-27	-23	-36	-45	-34	-18	-27	-24	-26	-27	-24	:	-19	-20	-23	
	IRL	2	-26	-35	-38	-42	-45	-29	-26	-26	-20	-29	-34	-33	-32	-28	-34	-29	-37	
	I	-14	-19	-30	-30	-24	-25	-9	-8	3	4	1	1	-1	0	:	-8	-14	-13	
	NL	-16	-26	-48	-42	-42	-28	-5	10	12	-1	-7	-10	-14	-18	-12	-1	-16	-17	
	P	:	:	:	:	:	:	:	:	5	6	1	4	2	15	14	13	17	11	
UK	5	-16	-24	-23	-10	-5	-10	-16	-14	3	6	10	16	8	4	1	5	1		
EUR (c)		-8	-16	-30	-30	-24	-21	-18	-14	-5	-7	-7	-7	-6	-7	-8	-7	-9	-13	
PRICE TRENDS	B	59	55	65	69	77	78	78	72	49	33	27	32	32	33	34	36	32	27	
	DK	47	39	50	51	48	26	26	26	10	-5	1	-1	6	:	1	-3	-3	-3	
	D	16	25	44	52	46	23	15	9	-15	-23	-20	-16	-12	-9	-9	-7	-7	-7	
	GR	:	:	:	:	15	30	24	26	39	41	41	43	42	42	43	41	42	41	
	E	:	:	:	:	:	:	:	:	46	38	41	40	28	25	30	30	34	33	
	F (d)	60	70	79	77	62	55	58	44	12	19	14	14	15	12	:	12	8	5	
	IRL	57	80	85	87	87	80	71	59	47	41	35	37	33	32	28	35	24	31	
	I	67	72	80	79	72	69	55	49	36	27	24	28	24	28	:	30	36	37	
	NL	47	43	62	68	63	43	41	22	-2	-27	-26	-23	-19	-17	-16	-13	-14	-12	
	P	:	:	:	:	:	:	:	:	31	33	30	30	27	17	23	24	27	37	
UK	35	48	59	41	31	15	19	24	15	15	10	10	7	4	10	11	11	14		
EUR (c)		42	49	63	62	53	40	37	30	13	11	9	11	10	10	11	12	13	13	

TABLE 7 (continued): Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1987									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
PRICE TRENDS (cont.)	B	22	33	42	40	45	40	37	36	27	18	14	18	16	18	22	23	23	23	
	DK	27	29	38	31	31	12	16	15	7	11	7	5	7	:	5	-1	4	3	
	D	33	44	51	50	43	30	28	25	5	1	4	8	13	16	18	17	16	20	
	GR	:	:	:	:	25	37	38	42	44	48	48	49	41	46	48	47	47	45	
	E	:	:	:	:	:	:	:	:	19	15	24	20	9	12	16	15	21	18	
	F (d)	41	46	50	39	42	37	32	27	19	17	9	12	12	10	:	4	4	10	
	IRL	36	59	56	52	46	39	35	32	23	25	22	25	23	26	24	27	24	27	
	I	44	56	60	58	56	54	46	48	35	34	35	37	37	43	:	53	52	54	
	NL	36	48	61	52	50	38	25	17	6	-12	-6	-2	3	8	10	7	17	6	
	P	:	:	:	:	:	:	:	:	14	17	17	16	16	9	8	10	18	29	
UK	21	34	43	31	29	27	40	43	32	36	33	33	24	33	37	37	39	45		
EUR (c)		34	44	51	44	42	35	35	32	20	18	18	20	18	22	23	23	25	28	
UNEMPLOYMENT	B	42	42	57	67	60	57	44	37	33	40	37	36	33	36	36	37	35	33	
	DK	29	22	39	37	29	30	5	-4	1	24	26	18	37	:	35	21	34	33	
	D	10	3	20	43	43	30	20	16	4	13	12	13	14	20	24	23	23	27	
	GR	:	:	:	:	11	10	11	17	31	36	35	39	34	36	34	37	36	35	
	E	:	:	:	:	:	:	:	:	26	36	39	35	24	24	26	19	25	35	
	F (d)	30	44	47	43	30	41	62	50	33	47	47	50	42	43	:	29	39	27	
	IRL	6	12	34	47	56	67	52	48	45	31	34	47	49	50	49	57	50	51	
	I	42	41	51	52	56	57	49	47	39	37	40	39	41	40	:	43	41	46	
	NL	42	35	59	72	72	67	36	0	-11	3	7	9	4	16	17	10	11	15	
	P	:	:	:	:	:	:	:	:	27	18	19	22	17	6	8	9	7	16	
UK	20	30	58	50	34	37	32	35	32	14	8	6	3	2	3	8	-1	2		
EUR (c)		25	27	43	48	42	41	38	32	23	27	27	27	24	26	27	25	26	27	
MAJOR PURCHASES	B	46	30	23	15	13	6	6	-18	-26	-24	-24	-21	-21	-24	-16	-22	-21	-19	
	DK	41	42	21	10	16	7	14	14	0	-11	-14	-14	-16	:	-12	-21	-9	-17	
	D	31	25	18	-1	-17	-8	-9	-8	4	2	8	2	4	5	-1	7	4	2	
	GR	:	:	:	:	-35	-35	-24	-20	-22	-45	-36	-40	-43	-36	-29	-32	-35	-37	
	E	:	:	:	:	:	:	:	:	-27	-23	-20	-20	-12	-2	-5	-7	-17	-13	
	F (d)	34	35	39	28	30	19	6	-4	-3	-10	-5	-8	-6	-11	:	-12	-11	-5	
	IRL	49	46	30	24	13	-6	-9	-2	-10	-12	-18	-11	-10	-5	-15	-11	-12	-17	
	I	-10	-3	2	4	1	-13	-15	-15	-8	-6	-8	-6	-8	-3	:	-14	-11	-10	
	NL	28	13	-2	-17	-21	-18	-44	-29	-6	-4	4	-2	1	6	0	-8	-14	-15	
	P	:	:	:	:	:	:	:	:	-28	-18	-20	-18	-22	-14	-14	-15	-10	-7	
UK	43	43	28	26	25	32	31	24	24	19	22	20	20	31	28	27	26	24		
EUR (c)		29	27	22	12	6	5	0	-3	0	-4	0	-3	-1	2	0	-1	-3	-2	
— over next 12 months	B	-28	-29	-26	-28	-28	-30	-28	-30	-28	-24	-22	-18	-18	-19	-16	-18	-20	-19	
	DK	-9	-8	-14	-12	-10	-8	-7	-8	-12	-10	-10	-12	-12	:	-12	-11	-8	-11	
	D	-15	-15	-19	-25	-28	-29	-28	-26	-20	-19	-20	-19	-23	-20	-22	-19	-19	-22	
	GR	:	:	:	:	-24	-33	-38	-33	-42	-51	-48	-49	-44	-51	-44	-42	-44	-47	
	E	:	:	:	:	:	:	:	:	-26	-24	-22	-22	-23	-20	-19	-16	-23	-24	
	F (d)	-13	-16	-18	-13	-9	-10	-10	-9	-3	-1	0	0	-1	-1	:	0	0	0	
	IRL	-13	-17	-19	-22	-27	-31	-25	-22	-20	-26	-17	-20	-19	-17	-16	-14	-19	-16	
	I	-16	-10	-17	-18	-22	-22	-21	-21	-21	-21	-21	-20	-21	-21	:	-22	-24	-22	
	NL	-14	-19	-23	-27	-27	-29	-27	-20	-15	-12	-10	-10	-12	-13	-14	-12	-9	-10	
	P	:	:	:	:	:	:	:	:	6	1	2	10	5	-1	0	6	10	12	
UK	-9	-6	-14	-19	-18	-15	-12	-14	-12	-11	-9	-8	-6	-9	-10	-8	-8	-8		
EUR (c)		-12	-12	-17	-20	-20	-21	-19	-18	-16	-15	-14	-13	-14	-14	-15	-13	-14	-14	
SAVINGS	B	35	40	38	41	40	46	46	46	43	53	50	55	51	53	54	56	49	53	
	DK	7	11	15	23	26	40	41	50	46	48	53	43	46	:	49	53	55	52	
	D	34	46	43	32	27	33	38	41	44	39	41	45	43	43	46	47	48	31	
	GR	:	:	:	:	-25	-29	-20	-18	-31	-44	-40	-46	-45	-43	-34	-39	-43	-37	
	E	:	:	:	:	:	:	:	:	36	41	41	42	41	40	49	46	41	49	
	F (d)	10	8	-3	-2	-5	0	6	11	12	20	20	19	23	21	:	22	25	17	
	IRL	14	8	5	-3	-9	-3	-8	-1	-3	-10	-2	-7	-8	-19	-11	0	-8	-4	
	I	6	4	-6	-7	10	21	33	37	47	48	51	49	51	47	:	50	49	48	
	NL	13	19	19	27	38	35	34	41	48	52	51	52	48	48	44	53	51	51	
	P	:	:	:	:	:	:	:	:	-42	-36	-31	-25	-21	-21	-19	-24	-16	-11	
UK	-10	-5	6	5	5	10	17	20	23	32	31	30	34	37	32	31	38	26		
EUR (c)		16	21	15	12	12	19	24	29	31	34	35	35	36	36	36	37	38	32	
— over next 12 months	B	-14	-14	-20	-21	-25	-26	-27	-33	-9	-1	-2	-2	-1	-4	0	-1	-6	-6	
	DK	-11	-12	-20	-19	-18	-12	-11	-7	-6	-7	-3	1	-5	:	3	0	-8	-1	
	D	43	46	44	23	-2	1	3	3	11	12	16	12	11	14	11	15	12	14	
	GR	:	:	:	:	-37	-41	-39	-40	-47	-59	-54	-58	-61	-59	-57	-55	-59	-58	
	E	:	:	:	:	:	:	:	:	-36	-31	-39	-41	-34	-29	-30	-34	-38	-42	
	F (d)	-27	-29	-32	-32	-32	-35	-37	-36	-31	-35	-31	-35	-33	-34	:	-32	-34	-37	
	IRL	-5	-11	-13	-19	-22	-25	-37	-28	-30	-34	-20	-39	-29	-31	-40	-32	-26	-33	
	I	-35	-34	-32	-30	-22	-27	-20	-17	-10	-6	-8	-5	-5	-6	:	-5	-7	-4	
	NL	6	8	0	-1	-3	-8	-2	6	12	17	14	21	14	17	17	24	19	15	
	P	:	:	:	:	:	:	:	:	-39	-36	-29	-31	-27	-18	-23	-27	-19	-10	
UK	-4	-4	-16	-20	-17	-13	-12	-14	-12	-9	-4	-8	-5	-8	-2	-7	-6	-4		
EUR (c)		1	2	-4	-11	-17	-17	-16	-15	-11	-11	-9	-11	-10	-10	-9	-9	-11	-11	

TABLE 7 (continued): Consumer opinion on economic and financial conditions^(a)

		1978	1979	1980	1981	1982	1983	1984	1985	1986	1987									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
FINANCIAL SITUATION OF HOUSEHOLDS	B	11	12	9	7	6	5	6	5	13	15	16	14	14	13	14	13	14	12	12
	DK	10	9	4	4	4	8	8	11	10	7	11	9	10	:	11	11	10	12	12
	D	23	22	21	16	12	11	11	12	17	17	17	18	17	16	16	18	17	18	18
	GR	:	:	:	:	0	0	2	3	1	-1	-1	-3	-2	-1	-1	-2	-2	-3	-3
	E	:	:	:	:	:	:	:	:	5	8	1	3	6	8	8	3	6	3	3
	F (d)	10	10	8	8	8	6	4	3	3	0	2	0	2	2	:	0	0	-1	-1
	IRL	11	8	2	-4	-1	-1	-1	-1	-1	-2	4	-5	0	-2	-4	1	-1	1	1
	I	7	8	8	8	13	9	11	12	15	17	15	17	16	18	:	15	17	15	15
	NL	14	22	19	18	17	15	13	16	19	18	18	20	19	18	16	22	18	20	20
	P	:	:	:	:	:	:	:	:	2	7	10	7	8	12	8	7	11	7	7
— indicator of net acquisition of financial assets		8	10	8	9	9	12	12	11	11	13	14	13	17	13	17	13	16	15	15
UK		8	10	8	9	9	12	12	11	11	13	14	13	17	13	17	13	16	15	15
EUR (c)		14	15	12	11	10	9	9	9	11	11	11	11	12	12	12	11	12	11	11

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

(d) Data of an experimental and provisional nature from June 1986 onwards; they do not involve the responsibility of the INSEE.

Source: European Community consumer survey.

Questions of European Community business and consumer surveys

Manufacturing industry

Monthly:

- estimate of production trend in recent months: up, unchanged, down?
- order-books: above normal, normal, below normal?
- export order-books: above normal, normal, below normal?
- stocks of finished products: above normal, normal, below normal?
- production expectations in the months ahead: up, unchanged, down?
- selling price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- employment expectations for the months ahead: up, unchanged, down?
- limits to production: none, insufficient demand, shortage of labour, lack of equipment, others?
- production capacity: more than sufficient, sufficient, not sufficient?
- duration of assured production: in months?
- new orders in the recent past: up, unchanged, down?
- export volume expectations for the months ahead: up, unchanged, down?
- capacity utilization: in %?
- stocks of raw material: high, normal, low?

All industries

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for Denmark, Greece, France, Ireland and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down?
- factors holding up production: none, lack of demand, bad weather, shortage of manpower, shortage of material and/or equipment, others?
- order-books or production schedules: above normal, normal, below normal?
- employment expectations in the months ahead: up, unchanged, down?
- price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- duration of assured production: in months?

Retail trade sector

Monthly (France and Italy bi-monthly):

- we consider our present business (sales) position to be: good, satisfactory (normal for the season), bad;
- we consider our present stock to be: too small, adequate (normal for the season), too large;
- we expect that our orders placed on suppliers during the next (three) months, excluding purely seasonal variations, will be: up, unchanged, down;
- our business trend over the next six months, excluding purely seasonal variations, will improve, remain unchanged, deteriorate.

Quarterly:

- in the next three months, and compared with today, the number of persons we employ will: increase, remain unchanged, decline.

Consumer survey

Monthly:

- Financial situation of your household now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Financial situation of your household, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Price level now compared to 12 months ago: much higher, moderately higher, a little higher, about the same, lower, don't know.
- Price trend over the next 12 months: more rapid increase, same increase, slower increase, stability, slight decrease, don't know.
- Unemployment level in the country over the next 12 months will: increase sharply, increase slightly, remain the same, fall slightly, don't know.
- Major purchases (furniture, washing machine, TV, etc.) at present: yes, right time; neither right nor wrong time, should postpone; don't know.
- Major purchases next 12 months, compared to last 12 months: much more, a little more, the same, a little less, much less, don't know.
- Savings at present, a reasonable time to save: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Savings by you or your household over the next 12 months: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Financial situation of households at present — financial assets accumulation: borrowing, drawing on savings, just making ends meet, saving a little, saving a substantial amount, don't know.

Economic sentiment indicator

The economic sentiment indicator is a composite measure in which the industrial confidence indicator and the consumer confidence indicator are given equal weight, while the construction confidence indicator and the share-price index are attributed half the weight of each of the other two. The share-price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the value of shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

Industrial confidence indicator

The industrial confidence indicator is the arithmetic average of the answers (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

Construction confidence indicator

The construction confidence indicator is the arithmetic average of the answers (balances) to the questions on order-books and employment expectations.

Consumer confidence indicator

The consumer confidence indicator is the arithmetic average of the answers (balances) to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases. For a more detailed description of the consumer confidence indicator see technical note in the December 1982 issue of Supplement C.

Prices (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD
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